

**Agendas and Agenda Materials  
Meetings of the Boards of Directors**

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**La Porte Redevelopment Authority**



**La Porte Tax Increment  
Reinvestment Zone**

**September 26, 2012**

## **NOTICE OF MEETING OF LA PORTE REDEVELOPMENT AUTHORITY**

**Notice is hereby given of the meeting of the La Porte Redevelopment Authority to be held Wednesday, September 26, 2012 at 6:30 p.m. in the Council Chambers of City Hall, 604 West Fairmont Parkway, La Porte, Texas, for the purpose of considering the following agenda items:**

1. Call to order – Lindsey Pfeiffer, President;
2. Consider approval of the minutes of Board of Directors meeting held on August 22, 2012;
3. Consider professional services agreement to prepare FY 2012 Redevelopment Authority audit;
4. Discuss Report regarding distribution of tax increment funds in accordance with approved development agreements;
5. Receive report from city, staff and developers with regard to development within the boundaries of the tax increment reinvestment zone;
6. Consider approval or other action with regard to authority invoices;
7. Board member comments;
  - a. Matters appearing on agenda;
  - b. Inquiry of staff regarding specific factual information or existing policy
8. Adjournment.

**In compliance with the American Disabilities Act, the City of La Porte City will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City Secretary, at 281-470-5019 or TDD 281-471-5030.**

A possible quorum of city council members may be present at this meeting and participate in discussions but will take no action.

David W. Hawes  
Executive Director



LA PORTE REDEVELOPMENT AUTHORITY,  
CITY OF LA PORTE, TEXAS

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AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors  
FROM: Executive Director  
SUBJECT: Agenda Item Materials

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3. Consider professional services agreement to prepare FY 2012 Redevelopment Authority audit.

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

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September 26, 2012

Board of Directors  
La Porte Redevelopment Authority  
City of La Porte, Texas

Dear Board Members:

Enclosed is our engagement letter and various confirmations concerning the audit of La Porte Redevelopment Authority (the "Authority") as of and for the year ended September 30, 2012. This year, as in the past, we look forward to working for you.

As noted in the engagement letter, our cost for the audit will be at our standard hourly rates and includes any other direct charges. Based on a budget of 52 hours, we estimate the fee for the audit to range between \$5,500 and \$7,000. This is strictly a range and not a fixed bid amount. If during the course of the audit, we determine that this estimate is not adequate because of special problems or circumstances, we will discuss these problems with the President or Board of Directors prior to proceeding further. See the attached schedule of rates, budgeted hours by position, experience and training of the persons involved in your audit.

Your Authority is very important to us and we sincerely want to work for you. Please feel free to give us a call if you have any questions regarding this engagement or the contents of this letter.

Sincerely,



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For the Firm  
McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants

Attachments

We estimate the following classifications of personnel and budgeted hours will be required to perform the audit:

	<u>Rates Per Hour</u>	<u>Hours</u>
<b>One Staff Professional</b>	\$80 - \$120	18
Experience:		
Zero to three years		
Training:		
Degreed accountant or trained paraprofessional.		
Functions:		
To accomplish procedures commensurate with experience.		
<b>One Audit Senior or Audit Manager</b>	\$120 - \$160	20
Experience:		
Three to thirty years of auditing experience		
Training:		
Certified Public Accountant or Candidate.		
Functions:		
To supervise and accept responsibility for draft report.		
<b>One Partner (Shareholder)</b>	\$200	8
Experience:		
Sixteen to twenty-seven years of experience		
Training:		
Certified Public Accountant		
Functions:		
Review, supervision and accept final report responsibility.		
<b>Clerical Support Staff</b>	\$50 - \$80	
Word processing, confirmation control and report assembly.		<u>6</u>
<b>Total Hours</b>		<u><u>52</u></u>

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September 26, 2012

Board of Directors  
La Porte Redevelopment Authority  
City of La Porte, Texas

We are pleased to confirm our understanding of the services we are to provide La Porte Redevelopment Authority (the "Authority") for the year ended September 30, 2012. We will audit the financial statements of the governmental activities and each major fund, which collectively comprise the basic financial statements of the Authority as of and for the year ended September 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis, and
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. The document we submit to you will include various supplementary schedules. This supplementary information will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole except for that portion marked "unaudited", on which we will express no opinion.

### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will discuss the reasons with you in advance. If for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for overseeing our financial statement preparation services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them. Nonattest services to be provided include the preparation of the financial statements, preparation of the appropriate capital asset schedules, if any, including calculation of depreciation on the capital assets and preparation of the journal entries to convert the fund financial statements to the government-wide financial statements as required by generally accepted accounting principles.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities: for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities and each major fund of the Authority and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, consultants,

### **Management Responsibilities (Continued)**

regulators, the public or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. With regard to using the auditor's report, you understand that you must obtain our written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform tests of the Authority's compliance with applicable laws and regulations and the provisions of certain contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Engagement, Administration, Fees and Other**

In accordance with provisions of the Local Records Retention Schedule Section 2-1: Item 1025-01(e) we agree to retain our audit work papers in our office for a period of three years after all questions arising from the audit have been resolved. In order to allow for all questions arising from the audit to be resolved and to comply with Rule 501.76(f) of the Rules of Professional Conduct of the Texas State Board of Public Accountancy the actual date will be the five-year anniversary of the audit report in question.

We expect to present a draft of the audit report within 45 days of the availability of the Authority's accounting records. Chris Swedlund is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. Our fees for these services will be at our standard hourly rates and include any other direct charges. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. An interim bill will be rendered for payment at the time of presentation of a draft audit for approval by the Board of Directors and is due upon presentation. The following is an estimate of our fees for the services included in this engagement letter.

- Audit of the Authority financial statements for the year ended September 30, 2012, to range between \$5,500 and \$7,000

If for any reason our services are terminated prior to issuance of a final report, our engagement will be deemed to have been completed, even if we have not completed our report. The Authority will be obligated to compensate us for our time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

We believe this letter accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to us. We appreciate the confidence you have placed in us by retaining this firm as your independent auditor in this matter.

Sincerely,



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants

This letter correctly sets forth the understanding of the La Porte Redevelopment Authority.

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Signature

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Title

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Date

Engagement Letter

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
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September 26, 2012

Dear Board Member:

We will soon begin the audit field work for the audits of **La Porte Redevelopment Authority** for the fiscal year ending **September 30, 2012**. Statement on Auditing Standards No. 99 states that “the auditor has a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud.” In addition, in Statement on Auditing Standard No. 99 the distinction between fraud and error is clarified, “The primary factor that distinguishes fraud from error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional. For purposes of the section, *fraud* is an intentional act that results in a material misstatement in financial statements that are the subject of an audit.” The distribution of this questionnaire to you will be documented in our planning process of this audit.

Please complete the following questions with a **yes** or **no** answer. If any answers to the questions warrant a call to our office, please contact us at the above phone number. Your response should include matters that existed up to the fiscal year end and through the date of the auditor’s report. Your call and the information provided will be kept confidential.

In advance, we thank you for your timely assistance on this matter.

Sincerely,



Chris Swedlund

CS:jg

Do you understand that there are risks of fraud within the Authority's Records, as there are within the records of any organization?

\_\_\_\_\_

From your position as a Director of the Authority are you aware of any fraud or suspected fraud affecting the Authority? (if yes, call the auditor)

\_\_\_\_\_

From your position as a Director of the Authority are you aware of any allegations of fraud or suspected fraud affecting the Authority from sources outside of the Authority's Management? (if yes, call the auditor)

\_\_\_\_\_

To your knowledge, has the Authority's Management including consultants expressed an understanding of the risk of fraud in the Authority, including any specific fraud risks the entity has identified or account balances or classes of transactions for which a risk of fraud may be likely to exist?

\_\_\_\_\_

To your knowledge, has the Authority's Management including consultants taken steps to mitigate the fraud risk or otherwise helped to prevent, deter, and detect fraud? (if no, call the auditor)

\_\_\_\_\_

To your knowledge, is the Authority in compliance with the laws and regulations to which it is subject? (if no, call the auditor)

\_\_\_\_\_

Do you from time to time communicate to the other Directors of the Authority and respective consultants of the Authority the importance of ethical behavior and the importance of following appropriate business practices? If no, would you agree that it is important for the Authority to follow ethical behavior in its business practices? (if no to the second question, please call the auditor)

\_\_\_\_\_

We are not requiring that your responses be returned to us, however, should your answer to any of the questions warrant a call to the auditor, please call me at the number referred to above.

LA PORTE REDEVELOPMENT AUTHORITY,  
CITY OF LA PORTE, TEXAS

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**AGENDA MEMORANDUM**

TO: La Porte Redevelopment Authority Board of Directors  
FROM: Executive Director  
SUBJECT: Agenda Item Materials

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4. Discuss Report regarding distribution of tax increment funds in accordance with approved development agreements.

**La Porte Redevelopment Authority  
Tax Increment Reinvestment Zone Number One  
City of La Porte  
FY 2012- 13 Proposed Budget**

	<b>2011-12 Approved Budget</b>	<b>2011-12 Estimated</b>	<b>2012-13 Proposed Budget</b>
<b>Revenues:</b>			
Beginning Fund Balance	\$ 295,199	\$ 1,019,066	\$ 1,105,354
City Transfer of TIRZ (Previous Years)	\$ -	\$ -	\$ -
Estimated TIRZ Revenues	\$ 1,900,000	\$ 1,873,386	\$ 1,633,548
Interest on City TIRZ Funds	\$ 1,000	\$ 638	\$ 500
Estimated TIRZ Developer Advances	\$ -	\$ -	\$ -
Sylvan Beach Restoration Project	\$ -	\$ -	\$ -
Lakes of Fairmont Greens	\$ -	\$ -	\$ -
Retreat at Bay Forest	\$ -	\$ -	\$ -
Port Crossing	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 2,196,199</b>	<b>\$ 2,893,089</b>	<b>\$ 2,739,402</b>
<b>TIRZ M&amp;O Expenses:</b>			
Administration and Project Management	\$ 32,000	\$ 27,000	\$ 30,000
Legal	\$ 1,000	\$ -	\$ 1,000
Agreed Upon Procedures Reports	\$ -	\$ -	\$ 3,000
Annual Audit	\$ 3,200	\$ 4,000	\$ 4,000
Operating Expenses	\$ 750	\$ 1,449	\$ 750
Bank Expenses	\$ -	\$ 62	\$ 60
City Loan Repayment	\$ -	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 36,950</b>	<b>\$ 32,511</b>	<b>\$ 38,810</b>
<b>Transfers</b>			
City Administration	\$ 66,000	\$ 85,093	\$ 70,898
Educational Facilities	\$ 395,000	\$ 392,683	\$ 342,871
<b>Total Transfers</b>	<b>\$ 461,000</b>	<b>\$ 477,776</b>	<b>\$ 413,769</b>
<b>Capital Improvements</b>			
City CIP Trunk Line Project	\$ -	\$ 121,029	\$ 130,500
TIRZ Developer Projects			\$ 800,000
Sylvan Beach Restoration Project		\$ 30,499	\$ 30,500
Lakes of Fairmont Greens	\$ -		
Retreat at Bay Forest			
Port Crossing	\$ 1,205,754	\$ 1,125,919	\$ 1,200,000
	<b>\$ 1,205,754</b>	<b>\$ 1,277,448</b>	<b>\$ 2,161,000</b>
<b>Ending Fund Balance</b>	<b>\$ 492,495</b>	<b>\$ 1,105,354</b>	<b>\$ 125,823</b>

**La Porte Redevelopment Authority**  
**FY 2012 Disbursement Report - CURRENT TAX**

<b>Tax Year 2011 Increment</b>		<b>\$ 1,290,676.65</b>
FY 2012 City 5% Due		\$ (85,092.90)
FY2013 Projected Expenses		<u>\$ (109,708.29)</u>
		<u><u>\$ 1,095,875.46</u></u>
<b>2011 Tax Year</b>		
Total Value in the TIRZ as of Apr. 2012 (Taxable Value)	\$76,219,388	
Less the Tax Increment Base (1999) Value	<u>\$7,385,080</u>	
Total Increment Created	\$68,834,308	
Lakes at Fairmont Green (Plat recorded 2/27/08)	\$773,905	1.124%
65 La Porte	\$5,922	0.009%
Retreat at Bay Forest N & S (Plat recorded 3/18/08)	\$1,356,379	1.970%
Port Crossing	\$59,095,989	85.853%
Remaining Captured Taxable Value	<u>\$7,602,113</u>	<u>11.044%</u>
		<u><u>\$ 12,320.94</u></u>
		<u><u>\$ 94.28</u></u>
		<u><u>\$ 21,594.21</u></u>
		<u><u>\$ 940,836.71</u></u>
		<u><u>\$ 121,029.31</u></u>
		<u><u>\$ 1,095,875.46</u></u>

<b>County Funds</b>		<b>\$ 215,582.00</b>
Port Crossing	\$59,095,989	85.853%
Remaining Captured Taxable Value	<u>\$9,738,319</u>	14.147%
	<u><u>\$68,834,308</u></u>	<u><u>100.000%</u></u>
		<u><u>\$ 185,082.58</u></u>
		<u><u>\$ 30,499.42</u></u>
		<u><u>\$ 215,582.00</u></u>

LA PORTE REDEVELOPMENT AUTHORITY,  
CITY OF LA PORTE, TEXAS

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**AGENDA MEMORANDUM**

TO: La Porte Redevelopment Authority Board of Directors  
FROM: Executive Director  
SUBJECT: Agenda Item Materials

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6. Consider approval or other action with regard to authority invoices.

La Porte Redevelopment Authority  
Cash Flow Report, FY 2009-2012

Cleared Bank	Operating Account	For	Amount	Subtotal	Total
	<b>Beginning fund balance, 10/1/2009</b>		\$ 265,520.84		
10/15/2009	City of La Porte	county TIRZ payment	\$ 196,067.00		
10/30/2009	Interest deposit (0.30%)	interest	\$ 91.25		
11/30/2009	Interest deposit (0.10%)	interest	\$ 73.20		
12/31/2009	Interest deposit (0.15%)	interest	\$ 36.70		
1/29/2010	Interest deposit (0.10%)	interest	\$ 28.41		
2/26/2010	Interest deposit (0.10%)	interest	\$ 22.06		
3/31/2010	Interest deposit (0.10%)	interest	\$ 25.13		
4/30/2010	Interest deposit (0.20%)	interest	\$ 42.59		
5/31/2010	Interest deposit (0.20%)	interest	\$ 42.60		
6/10/2010	Harris County tax collections	county TIRZ payment	\$ 257,543.00		
6/22/2010	City of La Porte tax collections	city TIRZ payment	\$ 582,670.33		
6/22/2010	LPISD tax collections	ISD TIRZ payment	\$ 512,646.62		
6/30/2010	Interest deposit (0.20%)	interest	\$ 122.57		
7/31/2010	Interest deposit (0.20%)	interest	\$ 130.46		
8/31/2010	Interest deposit (0.20%)	interest	\$ 102.74		
9/30/2010	Interest deposit (0.20%)	interest	\$ 95.55		
10/20/2010	City of La Porte	prior year increment adjustment	\$ 189,261.05		
10/29/2010	Interest deposit (0.20%)	interest	\$ 51.37		
11/30/2010	Interest deposit (0.10%)	interest	\$ 67.56		
12/31/2010	Interest deposit (0.10%)	interest	\$ 65.46		
1/31/2011	Interest deposit (0.10%)	interest	\$ 65.46		
2/28/2011	Interest deposit (0.10%)	interest	\$ 59.13		
3/31/2011	Interest deposit (0.10%)	interest	\$ 65.47		
4/29/2011	Interest deposit (0.10%)	interest	\$ 61.21		
5/31/2011	Interest deposit (0.10%)	interest	\$ 66.05		
6/16/2011	Wire xfer City of La Porte	city TIRZ payment	\$ 717,580.58		
6/16/2011	Wire xfer City of La Porte	city TIRZ payment	\$ 591,594.44		
6/30/2011	Interest deposit (0.10%)	interest	\$ 115.72		
7/25/2011	Wire xfer City of La Porte	county TIRZ payment	\$ 171,528.00		
7/29/2011	Interest deposit (0.10%)	interest	\$ 166.23		
8/31/2011	Interest deposit (0.05%)	interest	\$ 139.39		
9/30/2011	Interest deposit (0.05%)	interest	\$ 41.88		
10/31/2011	Interest deposit (0.05%)	interest	\$ 6.98		
11/30/2011	Interest deposit (0.05%)	interest	\$ 41.88		
12/31/2011	Interest deposit (0.05%)	interest	\$ 41.88		
1/31/2012	Interest deposit (0.05%)	interest	\$ 44.67		
2/29/2012	Interest deposit (0.05%)	interest	\$ 40.04		
3/30/2012	Interest deposit (0.05%)	interest	\$ 41.32		
4/30/2012	Interest deposit (0.05%)	interest	\$ 42.46		
5/24/2012	Wire xfer City of La Porte	city TIRZ payment	\$ 591,728.53		

5/24/2012	Wire xfer City of La Porte		city TIRZ payment	\$ 483,366.12	
5/31/2012	Interest deposit (0.05%)		interest	\$ 54.15	
6/25/2012	Wire xfer City of La Porte		county TIRZ payment	\$ 215,582.00	
6/29/2012	Interest deposit (0.05%)		interest	\$ 83.82	
7/31/2012	Interest deposit		interest	\$ 100.32	
8/31/2012	Interest deposit		interest	\$ 92.56	
	<b>Total, Revenues</b>			<b>\$ 4,777,456.78</b>	<b>\$ 4,777,456.78</b>
<b>Cleared Bank</b>					
	<b>Expenses</b>				
	<i>Checks paid:</i>				
11/23/2009	#117 Port Crossing LP		developer reimbursement	\$ 165,769.15	
11/19/2009	#118 Hawes Hill Calderon LLP		Inv 3385, 3400, 3422	\$ 7,937.24	
2/25/2010	#120 Hawes Hill Calderon LLP		Inv 3514, 3466, 3515	\$ 7,552.62	
3/31/2010	#119 Pattillo Brown & Hill LLP		interim billing, audit	\$ 3,000.00	
6/30/2010	#121 VOID CHECK		error in account posting	\$ -	
7/8/2010	#122 Pattillo, Brown & Hill LLP		audit final invoice	\$ 150.00	
7/1/2010	#123 Hawes Hill Calderon LLP		Inv 3523, 3585, 3586, 3614	\$ 10,072.29	
7/7/2010	#124 Port Crossing		developer reimbursement	\$ 1,033,512.91	
8/5/2010	#125 City of La Porte		meeting expenses	\$ 266.67	
8/27/2010	#126 Hawes Hill Calderon LLP		Inv 3642, 3666	\$ 5,640.07	
4/27/2011	#127 Hawes Hill Calderon LLP		Inv 3766-3874	\$ 17,686.39	
8/22/2011	#128 Port Crossing Land LP		developer reimbursement	\$ 1,205,754.00	
8/18/2011	#129 Hawes Hill Calderon LLP		Inv 3936, 3937, 3938, 3954	\$ 9,763.04	
2/6/2012	#130 Hawes Hill Calderon LLP		Inv 4064	\$ 13,685.83	
4/9/2012	#131 McCall Gibson Sweedlund Barfoot PLLC		interim billing - audit	\$ 4,000.00	
4/9/2012	#132 Hawes Hill Calderon LLC		Inv 4105	\$ 3,926.83	
8/23/2012	#133 Hawes Hill Calderon LLC		Inv 4139, 4170, 4214, 426	\$ 9,835.85	
8/29/2012	#134 Port Crossing Land LP		developer reimbursement	\$ 1,095,875.46	
	<b>Total, Checks paid</b>			<b>\$ 3,594,428.35</b>	
	<b>Bank fees:</b>				
6/18/2010	Wire transfer		service fee	\$ 8.00	
6/22/2010	Wire transfer		service fee	\$ 8.00	
6/22/2010	Wire transfer		service fee	\$ 8.00	
10/20/2010	Wire transfer		service fee	\$ 8.00	
6/16/2011	Wire transfer		service fee	\$ 10.00	
6/16/2011	Wire transfer		service fee	\$ 10.00	
7/25/2011	Wire transfer		service fee	\$ 10.00	
	<b>Total, Bank fees</b>			<b>\$ 62.00</b>	
	<b>Checks outstanding</b>				
	None			\$ -	
	<b>Total, Checks outstanding</b>			<b>\$ -</b>	
	<b>Checks submitted for approval</b>				
9/26/2012	#135 McCall Gibson Sweedlund Barfoot PLLC		2011 audit, final bill	\$ 2,400.00	
9/26/2012	#136 Hawes Hill Calderon LLC		Inv 4241	\$ 3,550.70	
	<b>Total, Checks submitted</b>			<b>\$ 5,950.70</b>	
	<b>Total expenses</b>			<b>\$ 3,600,441.05</b>	<b>\$ (3,600,441.05)</b>
	<b>Fund balance, Operating Account as of September 26, 2012</b>			<b>\$ 1,177,016.73</b>	<b>\$ 1,177,016.73</b>

**La Porte Redevelopment Authority**  
**Cash Flow Report, FY 2009-2012**

<b>Cleared</b>	<b>Bank</b>	<b>Construction Account</b>	<b>For</b>	<b>Amount</b>	<b>Subtotal</b>	<b>Total</b>
		<b>Beginning fund balance, 10/01/2009</b>		\$ 141,038.98		
10/30/2009		Interest deposit (0.30%)	interest	\$ 34.78		
11/30/2009		Interest deposit (0.15%)	interest	\$ 21.26		
12/31/2009		Interest deposit (0.15%)	interest	\$ 11.39		
1/31/2010		Interest deposit (0.10%)	interest	\$ 8.82		
2/26/2010		Interest deposit (0,10%)	interest	\$ 5.39		
3/31/2010		Interest deposit (0.10%)	interest	\$ 2.03		
4/30/2010		Interest deposit (0.20%)	interest	\$ 3.45		
5/31/2010		Interest deposit (0.20%)	interest	\$ 3.45		
6/30/2010		Interest deposit (0.20%)	interest	\$ 4.06		
7/31/2010		Interest deposit (0.20%)	interest	\$ 1.28		
8/31/2010		Interest deposit (0.20%)	interest	\$ 0.43		
9/30/2010		Interest deposit (0.20%)	interest	\$ -		
		<b>Total, revenues</b>			\$ 141,135.32	\$ 141,135.32
<b>Cleared</b>	<b>Bank</b>	<b>Expenses</b>				
		<i>Checks paid:</i>				
11/16/2009		#114 Durwood Greene Construction Company	final paym't	\$ 51,651.11		
2/29/2010		#115 Port Crossing Land, LP	Wharton Weems	\$ 67,002.00		
7/7/2010		#116 Port Crossing Land (PCL)	Wharton Weems	\$ 18,329.74		
8/19/2010		#112 Jones & Carter	Wharton Weems	\$ 4,151.50		
		<b>Total, Checks paid</b>			\$ 141,134.35	
		<i>Checks outstanding</i>				
		none		\$ -		
		<b>Total, Checks outstanding</b>			\$ -	
		<i>Checks submitted for approval</i>				
		none		\$ -		
		<b>Total, Checks submitted</b>			\$ -	
		<b>Total expenses</b>			\$ 141,134.35	\$ (141,134.35)
		<b>Fund balance, Construction Account as of September 26, 2012</b>				<b>\$ 0.97</b>

# Pledged Securities Report as of 8/31/2012

# AmegyBank

CUSIP	Security Type	Rate	Maturity	Original Face	Market Value
<b>Pledge Code: 2222 Entity Name: LAFORTE REDEV AUTH OPERATIONS</b>					
83164JLC8	SBA POOL # 507523	2.95	12/25/2030	\$504,218.00	\$279,436.80
83164JRT5	SBA POOL # 507698	2.58	4/25/2031	\$2,500,000.00	\$1,513,893.96
83164JRT5	SBA POOL # 507698	2.58	4/25/2031	\$725,000.00	\$439,029.25
83164JRT5	SBA POOL # 507698	2.58	4/25/2031	\$250,000.00	\$151,389.40
FDIC				\$250,000.00	\$250,000.00
<b>Total Pledges: 5</b>				<b>\$4,229,218.00</b>	<b>\$2,633,749.41</b>

Secondary Bookkeeper:

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

111 Congress Avenue  
Suite 400  
Austin, Texas 78701  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)

August 23, 2012

La Porte Redevelopment Authority  
c/o Ms. Susan Hill  
Hawes Hill Calderon, L.L.P.  
10103 Fondren Road, Suite 300  
Houston, Texas 77096

Client Number – 537-00

Audit of La Porte Redevelopment Authority as of and for the  
year ended September 30, 2011, including discussing the audit  
with the Board of Directors and testing for compliance with the  
Public Funds Investment Act.

Total Billing	\$ 6,400.00
Less Interim Billing	<u>4,000.00</u>
Balance Due	<u>\$ 2,400.00</u>

*We appreciate your business!*  
*Chris Swedlund*

*Member of*  
*American Institute of Certified Public Accountants*  
*Texas Society of Certified Public Accountants*

Hawes Hill Calderon LLP  
P.O. Box 22167  
Houston TX 77227-2167

Invoice

Bill To:

TIRZ -La Porte # 1  
604 W. Fairmont Pkwy.  
La Porte, TX 77571

Invoice #: 00004241

Date: 9/1/2012

Page: 1

DATE	DESCRIPTION	AMOUNT
9/26/2012	Project Management Services, August 2012	\$2,000.00
	Board of Directors Meeting	\$1,500.00
	Reimbursable expenses as follows: In house copies & Binders 338 @ .15 each & 13 Binders	\$50.70
		Sales Tax: \$0.00
		Total Amount: \$3,550.70
		Amount Applied: \$0.00
		Balance Due: \$3,550.70

Terms: C.O.D.

## **NOTICE OF MEETING OF**

### **LA PORTE TAX INCREMENT REINVESTMENT ZONE**

Notice is hereby given of the meeting of the La Porte Tax Increment Reinvestment Zone to be held Wednesday, September 26, 2012 at 6:30 p.m. in the Council Chambers of City Hall, 604 West Fairmont Parkway, La Porte, Texas, for the purpose of considering the following agenda items:

1. Call to order – Lindsay Pfeiffer, President
2. Consider approval of the minutes of Board of Directors meeting held on August 22, 2012;
3. Consent agenda – any item may be removed by a board member for discussion
  - Entertain motion and a second to approve the TIRZ items in the same form and manner as was approved in the previous Redevelopment Authority meeting – Lindsey Pfeiffer, Chairperson
    - a. Consider professional services agreement to prepare FY 2012 Redevelopment Authority audit
    - b. Discuss Report regarding distribution of tax increment funds in accordance with approved development agreements;
    - c. Receive report from city, staff and developers with regard to development within the boundaries of the tax increment reinvestment zone;
    - d. Consider approval or other action with regard to authority invoices;
    - e. Board member comments with regard to matters appearing on agenda and inquiry of staff regarding specific factual information or existing policy;
    - f. Adjournment.

**In compliance with the American Disabilities Act, the City of La Porte City will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City secretary, at 281-470-5019 or TDD 281-471-5030.**

A possible quorum of city council members may be present at this meeting and participate in discussions but will take no action.

David W. Hawes  
Executive Director

